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1600 WALTERS Mill Rd.
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Received & Inspected

FEB 26 2013

FCC Mail Room

REF. Public Input

FEDERAL COMMUNICATIONS
COMMISSION
445 12th ST. SW.
WASHINGTON DC 20554

2-20-13

Dear F.C.C.,

I want to put my input about the prison Phone Calls. Attached is a letter to the local newspaper, Pgh. Trib. I also sent a copy to the Federal Trade Commission. This is unfair Business Practice. Inmates are prisoners! not the same as the free public.

Please do something for us. We (inmates) have no one to fight for us. Please respond

Respectfully

Donald W. Scott
JY1727 A-B
1600 Walters Mill Rd.
Somerset, Pa. 15510

Re. Jail Phone Calls
2-17-13 Article

Amanada Dolasinski
Staff Writer for Trib
D.L. Clark Bldg.
503 Martindale St.
Pgh., Pa. 15212

2-19-2013

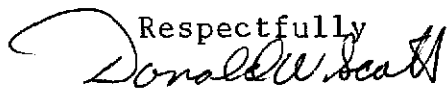
Dear Ms. Dolasinski,

I read your Feb. 12 article on jail phone call charges. The worst part of the whole crooked scheme is the DOC. is in on it. Inmates do not benefit on anything. They extort the inmate in any area they can. We, the inmate get the short stick every time. The DOC. Department of Corrections, new plan with the phones, is that they allow the phone carrier to extort us with collect calls. You can't call your family with collect calls. Unless your family sets up an account. Even though they have collect calls on their home/cell plans. You still have to put money \$\$\$\$ on a separate plan. If your family doesn't have no money, credit card etc. you won't talk to your family!

Of course the rate is higher than regular rates. It doesn't matter if you're in the same area code. You have to get someone outside to get a area code phone, to get a \$1.60 rate. Which you (inmate) have to buy a calling card on your commissary list. With your G.L.P. general labor pay, which is \$15.00 dollars a month, or less if it's a holiday in that month LOL. The DOC. does everything they can to restrict the inmate to talk to their loved ones. If you do, they tax you!!! That's the truth in prison, I'm an example.

If the FCC. wants public input, WOW. the public ^{isn't} ~~are~~ not behind bars.

It isn't just the phone racket, it's the rip-off TV's they extort you with 2-1/2 times the price of a 19 inch tv. You can find a 32 inch tv for \$199.00 dollars all day. But the DOC. only gives you a \$250.00 19 inch flat screen. Enclosed I sent my input to the FCC. and a complaint to the Federal Trade Commission / unfair business practice.

Respectfully

Donald W. Scott

CC. FTC.
FCC.
TRIB. NR

Jail's revenue from phone calls could fall

Westmoreland lockup netted \$270K from inmates last year

BY AMANDA DOLASINSKI

Inmate phone calls generated about \$270,000 last year for the Westmoreland County jail, but the regulation of interstate phone call rates could slash that number.

In response to long-standing petitions asking for the regulation, the Federal Communications Commission recently published a notice seeking public input.

Interstate calls from the Westmoreland County jail cost 40 cents per minute plus a \$3.45 hook-up fee, according to the jail handbook. A 15-minute

phone call costs \$9.45 at that rate.

Inmates placed 71,658 phone calls from the jail last year, according to Warden John Walton.

The FCC reports interstate costs vary across the country — from \$2.05 at a prison in Montana to \$16.55 from a prison in Idaho for a 15-minute phone call.

The commission is reviewing a proposal to lower interstate rates, cap rates and end exclusivity agreements with telephone providers.

"The telephone is a crucial instrument for the incarcerated and those who care about them because voice calling is often the only communications option available," FCC Commissioner Mignon Clyburn said in a statement.

"Most inmates, along with their

families and friends, are low-income, so in-person visits due to distance and expense are infrequent," he said.

Inmates at the Westmoreland jail can receive up to three visits a week. They have access to unlimited phone calls, Walton said.

"If it's available to them, we encourage them to make phone calls," he said.

The impact of lower phone rates would result in less money for the two accounts the fees support, Walton said.

About half of the money generated is put into the general operating budget, and half into the inmate welfare fund, he said.

Amanda Dolasinski is a staff writer for Trib Total Media. She can be reached at 724-835-6220 or adolasinski@tribweb.com.

FEB 26 2013

FCC Mail Room



February 18, 2013

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: In the Matter of Rates for Interstate Inmate Calling Services, WC Docket No. 12-375; adopted December 24, 2012; released December 28, 2012 (also under the header FCC 12-167)

Dear Sir/Madam:

We are an inmate telephone services provider that does business throughout the United States and Canada.

The Inmate Calling Services (ICS) business is a unique industry in the sense that the entity that selects the exclusive vendor for a jail often has nothing to do with either using the system from the jail side or using the system from the inmate side and paying for the calls. Often the only relationship the selecting entity has with the ICS is the money.

Calling Rates

As an ICS vendor, our single biggest expense is the commission paid to the agency that operates the jail. At the present time, commissions for jails of 300 inmates or more is usually over 50%. In the last year, we have routinely seen cases where the jail has contracted with the vendor offering 70% or even 80% commission.

And "commissions" are not the whole of it. There are payments in the forms of signing bonuses, technology grants, and equipment and other items that have nothing to do with the inmate phones. Some recent requirements made of inmate telephone vendors—required as part of the proposal to provide inmate telephone services—have been:

- Paying for the State's network (for their own use – nothing to do with the phones)
- Providing a computer and 4 laptops, each with printers, aircards, and service contracts as well as a software package that has nothing to do with the inmate phones.
- Purchasing security equipment for the facility and staff – nothing to do with the inmate phones.
- In "no commission" states, an "administrative" fee, ostensibly to administer the inmate use of the phones, but in some cases far in excess of what is required for this.



Many counties and states seem to regard the inmate phones (or the inmate phone vendors) as a source of income and count on this money to balance their budgets. This puts a huge burden on the ICS provider, who ultimately passes the expense on to the inmates and their friends and families in the form of higher call rates. After all, ***the entire payment to the agency, whether it is in the form of money or bonuses or equipment, comes out of the monies paid by the inmates and the public for the privilege of making and receiving calls.***

Another large expense is bad debt on collect calls (this can be as high as 38%) and charge backs on credit card payments. Since commissions are paid on gross revenue without deductions for bad debt, this loss significantly reduces the portion of the revenue available for the vendor to operate the ICS. Ultimately, these costs must be added to the call charges of those who do pay.

Even with the present advances in technology, no vendor can operate their inmate telephone services paying 70% or more of gross revenue to the agency. Either the vendor must misreport revenue, renegotiate terms after winning the contract on a large money offer, or charge large non-commissionable fees. These non-commissionable fees add to the cost of inmate calling, can be extremely obnoxious to the public receiving calls—and they are driven by the need for revenue to pay the commission owed to the jail.

Since most inmate phone contracts at present are awarded on the basis of the highest money bid to the agency, this favors ICS vendors who charge the highest call rates and fees. ***The only way to lower call rates is to reduce the commission paid to the agency.***

Calling Rates, Part 2

You will often see postings on the Internet that reference the “killing” that ICS providers are making from inmate telephone calls. These commenters reference the cost to carry calls, which is a fraction of a cent per minute, and assume that the difference between the carrying cost and the charge for the call is all profit into the ICS vendor’s pocket.

The actual costs to carry a call are the least of our expenses as an ICS vendor. ICS vendors must also provide:

- Internet connectivity to carry the call traffic (most state-of-the-art ICSs are VoIP systems)
- Equipment, such as the inmate phones themselves, and the maintenance of this equipment. Inmate phones are of heavy stainless steel construction designed to resist tampering and damage. Needless to say, these inmate phones cost considerably more than off-the-shelf phones for home use. Repair and replacement of the inmate phones is a major cost due to damage caused by



inmates. For example, if a phone is ripped off the wall, we not only have to replace the phone and backboard, but also repair the wiring and the wall itself.

- Public payphones in the jail lobby (these cost more to operate than they earn in revenue)
- Visitation recording that generates no revenue
- The calling platform (software) that controls inmate calling, records calls, and provides administrative, security, and investigative features
- Hardware for the call processor and call record storage, and the secure location to house this equipment
- A full range of payment services for prepaid calling and staff to handle these services
- 24/7 customer services (live)
- 24/7 on-call technicians, programmers, and engineers to keep the system running
- Free calls for inmates upon booking or to attorneys as required by law or demanded by the facility
- Technological development. An advanced VoIP inmate platform with all the newest features can cost several million dollars in coding and development costs. Most new technology is designed to enhance the security of the jail, free up jail staff time, and improve investigative capabilities—far beyond basic carrying of calls.
- Because most business is contracted by a formal RFP process (Request For Proposal), vendors must maintain a staff to compile these documents, and pay for the cost to print and ship, as well as site visits and so on.
- Customer service representatives to assist the jail staff and investigators
- Staff to handle billing, taxes, PUC regulations, and FCC regulations

Debit

Debit is a type of prepaid calling. All ICS vendors prefer to offer prepaid calling because it does not have the bad debt problems or billing costs of collect calling. Furthermore, as an ICS vendor, the more calls we can connect the better for us, and in today's world, that means prepaid/debit. ***We make our money on calls that connect.***



Debit (inmate-based prepaid) requires some sort of identification of the inmate or the calling card to implement. As calling cards represent contraband in a correctional environment, we prefer to operate debit in a card-free environment where the identification is on the inmate in the form of a PIN.

In city jails, where the inmate population turns over rapidly, it is not feasible for the jail staff to assign PINs to the inmates, nor is it useful for the inmate to set up a prepaid account only to be released on bail or moved to another jail. In these cases, we offer prepaid calling tied to the destination number (with refunds for the remaining amount once the inmate is moved out) or calls paid by credit card at the time of the call. Our credit card calls are offered at a higher rate because our costs are higher and because of the high rate of chargebacks (people who accept and pay for a call using a credit card, and then decide after the fact they don't want to pay for it).

All large ICS companies have these services, but providing them is at the discretion and the option of the jail. Some jails refuse to allow them. In some cases, especially smaller jails, the jail contracts with a small local vendor who is not able to provide the same range of services.

Call Cost Structure

Call cost structure (connect fee plus per minute rate or flat rate only) is traditional in the telephone industry because the cost to the vendor to connect a call is greater than the cost to continue that call per minute. The cost structure to the person paying for the call reflects these costs to the vendor.

Dropped calls are usually disconnected for one of two reasons: the call is to a cell phone that loses reception, or the ICS detects signs of a 3-way-call during the conversation. Three-way calling is strictly prohibited for security reasons and the inmates know it.

It is our policy to issue refunds for calls dropped for no known reason, however, we do not provide a refund until we verify that the call really was dropped. It is not unusual for an inmate to request a refund on a call where he/she can be heard saying "goodbye" and hanging up. Nor do we refund for calls disconnected for prohibited activity such as 3-way calling.

Exclusivity

Historically, inmate telephone service providers were payphone companies that contracted with jails to provide telephone services to inmates, and paid a commission to the jail for the privilege of exclusivity.

Over the last 20 years, the original inmate payphones have evolved into a whole new industry—inmate telephone services—where the technology is unique to the industry and is geared not only towards carrying the calls, but towards providing a range of security tools to the jails. Inmate calling services vendors provide a range of products and services that are used exclusively by corrections. These products and services include:



- Inmate telephones of heavy duty construction built to withstand inmate abuse, and with security screws to prevent their removal.
- All calls are processed through a computer that records the call, maintains records pertaining to the call (time of call, inmate calling, phone number of called party, etc.), automatically blocks calls to certain numbers (such as victims), and automatically forwards calls flagged for investigators.
- Security controls on the software allow call recordings to be used as evidence in court.
- A variety of investigative features allow investigators to identify and track suspicious calling.
- A variety of administrative features allow jail staff to control inmate calling, block calls to victims, and prevent fraudulent calling.
- Additional features allow for the exception of legal calls from recording, and so on.

The above systems, designed for the security of the jail and of the public outside the jail, ***depend on an exclusive contract with the jail for the provision of services*** for two reasons. First, because the only revenue for the provider of these services comes from call revenue. If exclusive contracts were not granted, vendors could not make the revenue to support the calling platform that provides these features.

Second, investigators and administrators depend on a single calling platform throughout the jail to control and track inmate calling. Imagine how difficult this would be if there were multiple providers for a single facility! If the jail wants to block inmates from calling a specific number, instead of going to a single calling platform and blocking the number once, they would have to repeat the process in two or more platforms. If an investigator wants to monitor the calls of a specific inmate, he would have to set this up in several platforms. This would be prohibitively burdensome and the end result would be the loss of the security and investigative potential that inmate calling platforms are designed to provide.

We welcome any opportunity to provide additional information on our industry and Inmate Calling Services (ICS) to the FCC.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Crawford", is written over a horizontal line.

John H. Crawford, President
Synergy Telecom Service Company, Inc.